

Message Text

UNCLASSIFIED

PAGE 01 THE HA 01472 181130Z
ACTION EUR-12

INFO OCT-01 ISO-00 SEC-01 SP-02 USIA-15 AID-05 EB-08
NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00
COME-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06
LAB-04 SIL-01 L-03 PA-02 /104 W
-----041256 190801Z /10

R 171620Z MAR 78
FM AMEMBASSY THE HAGUE
TO SECSTATE WASHDC 2265
INFO EC COLLECTIVE
AMEMBASSY BERN

UNCLAS THE HAGUE 1472

DEPT PASS TREASURRY AND SEC

USEEC ALSO FOR EMBASSY

E.O. 11652: NA
TAGS: EFIN NL
SUBJECT: SUPERVISORY COMMITTEE FOR EUROPEAN OPTIONS EXCHANGE
(EOE) APPOINTED

1. FINANCE MINISTER ANDRIESSEN HAS APPOINTED A SUPERVISORY
COMMITTEE FOR THE EOE TO PROTECT INTERESTS OF PARTICIPANTS
AND THE PUBLIC IN GENERAL. THE COMMITTEE, FORMED UNDER THE
1914 SECURITY EXCHANGE ACT, WILL CONSIST OF A CHAIRMAN AND
FOUR OTHER MEMBERS, AND IT WILL REVIEW THE EOE'S REGULATIONS
AND THE CONTENT OF ITS FORTHCOMING PROSPECTUS IN THE PERIOD
PRIOR TO THE APRIL 4 EOE OPENING DATE. AFTER THE EXCHANGE
BECOMES OPERATIVE, THE COMMITTEE WILL MONITOR ACTIVITIES
TO INSURE THAT EOE REGULATIONS ARE BEING OBSERVED AND WILL
ALSO BE EMPOWERED TO DESIGNATE OPTIONS TO BE LISTED ALTHOUGH
FINAL DECISIONS WILL BE MADE BY FINANCE MINISTER. MEMBERS
OF THE COMMITTEE INCLUDE: DR P. KORTEWEG, PROFESSOR OF
MONETARY ECONOMY AT ERASMUS UNIVERSITY OF ROTTERDAM
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 THE HA 01472 181130Z

(CHAIRMAN); MR J.T.M. BEVERS, FINANCE MINISTRY'S AGENT
IN AMSTERDAM; MR J.I. VAN PRAAG SIGAAR, AN AMSTERDAM
LWYER; DR E.P.M. TERVOOREN, FINANCIAL AND ECONOMIC
DIRECTOR OF ESSO-NEDERLAND UNTIL JANUARY 1, 1978; AND
MR W.A.A. VERHOEVEN, GENERAL FINANCIAL AND ECONOMIC
DIRECTOR OF NEDERLANDSE GAS-UNIE.

2. DR KORTEWEG TOLD EMBASSY OFFIKR THAT COMMITTEE WILL TAKE A PASSVE QPGKH TOWARD DESIVATVNMF LISTED UTOKS BQ AN ACTIVE APPROACH TOWARD REGUALTIONS. THE ECOMMITTEE DOES NOT EXPECT TO PROPOSE STOCKS BUT EXPECTS EOE TO SUBMIT LISTS OF DESIRED STOCKS TO THE COMMITTEE FOR ITS APPROVAL. TO BE APPROVED FOR LISTING, A STOCK MUST: (1) BE RECORDED WITH A MAJOR WORLD EXAHANGE AND BE REGULARLY TRADED, AND (2) HAVE A DISPERSED OWNERSHIP THUS PRECLUDING A SMALL NUMBER OF TRADERS FROM GROSSLY INFLUENCING PRICE. DR KORTEWEG BELIEVES THAT FOR TECH-NICAL REASONS THE EOE CANNOT LIST MORE THAN ABOUT 60 STOCKS THIS YEAR. WITH RESPECT TO REGULATION, DR KORTEWED NOTES THE COMMITTEE'S MANDATE FORM THE FINANCE MINISTER IS FOR A CAREFUL SUPERVISION OF EOE ACTIVITIES. KORTEWEG THINKS THE COMMITTEE'S CAREFUL BALANCE OF ECONOMIC, FINANCIAL, AND LEGAL EXPERTISE EQUIPS IT FOR SUCH SUPER-VISION, AND HE INTENDS THAT THE COMMITTEE STUDY THE EXPERIENCES OF STOCK MARKET SUPERVISORY AGENCIES IN OTHER COUNTRIES INCLUDING US SEC.

3. EMBASSY BELIEVES THE DECISION TO ORGANIZE A SUPER-VISORY COMMITTEE FOR THE EOE DEMONSTRATES THAT OFFICIALS ARE SERIOUS IN THEIR CONCERN FOR INVESTOR SAFETY. FOR COMPARISON, THE AMSTERDAM STOCK EXCHANGE HAS NO SPECIAL BODY TO FOLLOW ITS FAILY ACTIVITIES ALTHOUGH THE MINISTRY OF FINANCE HAS OVERALL REGULATORY DUTIES. IN THE WAKE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 THE HA 01472 181130Z

OF SEC INQUCIESINTO SOME OPTIONS MARKET ACTIVITIES IN THE US, OFFICIALS HERE BELIEVE THAT THEY MUST FOSTER AN AURUOF SCURITY AROUND THE EOE IF IT IS TO TAKE HOLD.

4. IN OTHER DEVELOPMENTS, EOE MANAGER LUBERTUS SCHOLTEN STATED MARCH 14 HAT APPLCATIONS HAVE NOW BEEN RECEIVED FOR 168 SEATS OF WHICH 11 ARE CLEARING MEMBERS, 55 ARE MARKET MAKERS, 31 ARE FLOOR BROKERS, AND 71 ARE PUBLIC ORDER MEMBERS. TRADING WILL BEGIN APRIL 4 IN NINE SOTCKS: IBM, EASTMAN KODAK, AND GENERAL MOTORS FROM TH THE US; ICI, BRITISH PETROLEUM AND BRITISH GENERAL ELECTRIC FROM THE UK; AND ROYAL DUTCH SHELL, PHILIPS AND UNILEVER FROM THE NETHERLANDS. THE EOE EXPECTS THAT IT WILL INITIALLY SERVE A PROFESSIONAL MARKET WITH SMALL INVESTORS BEING SERVED THROUGH LARGER INSTITUTIONS WHICH ARE MEMBERS. MORE STOCKS WILL BE ADDED AS EOE ACTIVITY INCREASES INCLUDING PERHAPS FRENCH AND GERMAN STOCKS IF LEGAL DIFFICULTIES CAN BE RESUOLVED. CHAIRMAN OF THE AMSTERDAM STOCK EXCHANGE, PHILIPPE KORTHALS-ALTES, ALSO SPEAKING MARCH 14, EXPRESSED BELIEF THAT THE NEW EIE COMPLIMENTS THE STOCK EXCHANGE AND WILL PROVIDE A

STIMULUS TO IT IN THE LONG RUN BY ATTRACTING THE LIQUIDITY
OF INVESTORS TO STOCKS. HE SID THE EOE SHOULD
ENCOURAGE AN EXPANSION OF INVESTORS USING STOCK MARKETS
AND THEREBY CREATE NEW OPPORTUNITIES FOR EXCHANGES.
BROWN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SECURITIES, OPENING OF OFFICES, COMMITTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 17 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978THEHA01472
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780121-0846
Format: TEL
From: THE HAGUE USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780352/aaaabsem.tel
Line Count: 121
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: eda87cc4-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3285251
Secure: OPEN
Status: NATIVE
Subject: SUPERVISORY COMMITTEE FOR EUROPEAN OPTIONS EXCHANGE (EOE) APPOINTED
TAGS: EFIN, NL
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/eda87cc4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014